

**Workstream:**

**Quick Wins**

## **NCDOT – Quick Wins**

### Overview:

- DOT can benefit from implementing some Quick Wins to help demonstrate that a transformation is underway.
- Talent Management Team has identified areas they may be good candidates that have a high probability of success and will be recognized as big impacts
- Through interviews, focus groups, and diagnostic results DOT employees do not feel a sense of empowerment.
- Current culture is leading by control rather than allowing managers to manage.
- Communication on easy items will help areas to feel a part of the process (breaking down the silo of communication).

### Rationale:

### Program details:

- Pay employees within the guidelines of State Personnel (no more 10% rule)
- Provide a bonus to engineers once they obtain their license (consider a reward for passing FE)
- Allow unit manager to select and approve hiring packages then route to HR Director
- Communicate positive synergy with OSP initiative
- Communicate items that have been identified to be “fixed”
- Implement or reinstate mentorship programs
- Improve employee orientation process (new hire check list).
- Allow out of state recruitment
- Improved outreach programs to colleges, high schools, junior high, etc.

### Benefits:

- DOT begins to see change is real.
- Morale within the workforce improves.
- May be able to hire 1<sup>st</sup> choice from posting process rather than 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup>
- Improved timeline for selection of candidate to make offer

### Potential challenges (and mitigations):

- Leadership resistance
- Inequities for previous personnel actions
- Bonuses for engineers that have not been paid once restriction was implemented
- Effectively communicating the message

## **Streamline Travel Approvals in Alignment with Best Practice to Encourage Employee Development**

### **Goal:**

Allow unit head approval for out of state travel within budget authority with accountability for training, conferences, and networking opportunities.

### **Recommendation:**

The Talent Management Team recommends NCDOT unit/section/division managers be held responsible for managing their training and employee development needs in alignment with our vision, goals, and strategic initiatives. Training and development of future leaders must be encouraged and sought on a continual basis with measures in place to guard against potential abuses. Local training must be investigated prior to approving out of state need.

Strategic training and networking should be encouraged as a part of leadership development based on best practices in public and private sector organizations. Unit head approval of training is necessary now to move our culture toward a performance-oriented organization that manages outcomes. Special emphasis must be taken to ensure training is relevant, strategic and strengthens skill set of talent. Unit head and their supervisor will be held accountable.

### **Rationale for Change:**

- Less senior management oversight on administrative tasks.
- Encouragement of knowledge sharing within areas.
- Encouragement of a performance culture.
- Improved morale based on feedback from interviews, focus groups, and diagnostic information.
- Managers are capable of managing their training and development needs.
- Potential issues based on reports provided to senior staff will be handled independently.

### **Process Change:**

Upper management will empower unit/division/section managers to determine if training and development requests are in alignment with NCDOT vision and goals.

Unit head will determine if the need requires out of state travel.

Unit head will ensure budget authority is available.

Unit head will approve and their immediate supervisor to approve.

Unit head will encourage information sharing with colleagues.

Employee granted the out of state training opportunity would share knowledge with colleagues on their return.

Reports can be generated in SAP to provide senior management a listing of out of state travel activities.

October 25, 2007

MEMORANDUM TO: Distribution A

FROM: Roberto Canales, P.E.  
Transformation Management Team Project Manager

SUBJECT: NCDOT Talent Initiatives - Hiring Practices

The Transformation Management Team is in the process of reviewing the Department of Transportation's personnel and hiring practices and will be identifying the most efficient methods for improving these processes. The overarching goal of this review is to significantly improve efficiency in the processing of all personnel actions (postings, new hires, promotions, reclassifications, and salary policies). This review will take several months to complete. In the interim, there are several immediate changes that are being implemented to streamline several current personnel processes.

With the support and approval of Secretary Tippet and Chief Deputy Secretary DeVane, outlined below are process changes being implemented to streamline management of personnel actions:

### **Postings**

Effective immediately, business units will not be required to request formal permission to post or re-post any position. Managers are reminded they shall not re-post a position because a specific individual failed to apply for the position.

When a position becomes vacant, the business unit manager must assess current and projected workload to determine need and the manager must ensure funding is available within the respective program budget to support filling the position. The Human Resources office will monitor all postings and re-postings and will notify senior staff members when issues or questionable situations occur. Business unit managers shall be held accountable for non-compliance or suspected abuse of posting/re-posting policies.

### **Compensation:**

Effective immediately, NCDOT will resume utilizing existing Human Resources policies for computing salaries for new hires, promotions and reallocations. Human Resources policy provides detailed instructions for computing salaries. Factors such as education and experience, scarce skills, current market rates (where available), and salary equity within the business unit must be considered when setting salaries.

In addition the Department will resume allowing funds to be placed in reserves for new hires. These funds can be granted once an employee successfully completes the probationary period. Granting the reserves shall be based on job performance and funding availability within the business unit. Request must be accompanied by documentation supporting the action.

Business unit managers shall be responsible for ensuring salary expenditures are within their budget constraints to support the requested salaries and to ensure inequities are not created within the business unit. The manager must use sound judgement and discretion when setting salaries. The business unit manager shall be held responsible for any non-compliance or suspected abuse of salary administration.

Allowing managers to offer salaries to classes that are not banded within guidelines established by Human Resources will be utilized until these positions are career banded and compensation practices are implemented.

**Management approval of personnel actions affecting permanent and temporary positions (hiring packages, position reallocations, and other salary adjustments):**

In an effort to streamline the approval process, effective immediately, personnel actions for permanent and temporary positions will require no more than three management approvals, including final approval by the Director of Human Resources. Senior managers should meet with their direct reports to establish the two approval levels within their respective areas. Senior managers must ensure that appropriate criterion is used to efficiently guide this process successfully.

Prior to any personnel action being forwarded to the Human Resources Director for approval, managers must ensure all personnel policies and procedures have been followed. The business unit manager must ensure funding is available within their program budgets to support requested salaries and to ensure salary inequities are not created within the business unit.

The Human Resource Office will continue to audit all personnel actions to ensure accuracy and consistency across the Department.

**Vacancy Rates:**

In the past couple of years, the Division of Highways has been directed to maintain varying vacancy caps ranging from 9% to 11%. Effective immediately, the entire Department of Transportation will maintain an overall average vacancy rate of 9%. This restriction will remain in place until the funding for the I-40 repairs has been identified and the organizational assessment for the Department is complete.

Managers are directed to monitor their vacancies and counsel with their direct reports to ensure each business unit is making every effort to keep the Department's overall vacancy rate at a minimum of 9%.

The Human Resources Office will prepare a monthly "Department of Transportation Vacancy Report" to be distributed to senior staff.

**Summary:**

NCDOT leadership has taken a major step in providing flexibility to business unit managers to administer their human and budgetary resources. In turn, managers must be held accountable for the business decisions they make and for any suspected abuse or non-compliance of personnel policies and procedures. The Human Resources Office will provide a monthly "Department of Transportation Vacancy Report" to senior staff and a monthly report of all personnel actions (postings, new hires, promotions, reallocations, and any other salary adjustments).

By implementing these process changes, NCDOT will be following best practice that appropriately places accountability for human resource management on the business unit manager who is in responsible charge of the human budgetary resources affecting their business unit.

Questions regarding these procedure changes should be addressed to the Director of Human Resources.

The TMT will continue to partner with Human Resources to implement ways to make DOT an even greater place to work.

RC

October 30, 2007

MEMORANDUM TO: Division Engineers, Branch Managers, and Unit Heads

FROM: Roberto Canales, P.E.  
Transformation Management Team Project Manager

SUBJECT: NCDOT Talent Initiative – Reinstatement Career Banding  
and Competency Based Pay Programs

Secretary Tippetts has approved the recommendation of the Transformation Management Team (TMT) to reinstate the following alternative pay programs which had previously been put on hold due to budgetary restraints. This includes reinstating programs for the following:

- Law Enforcement Officers
- Information Technology classifications
- Vehicle Equipment Repair Technicians & Supervisors
- Transportation Technicians
- Transportation Supervisors

As you may have heard, the General Assembly recently approved the banding of engineering and accountant classifications. Our Human Resources has already begun preparations for implementing these two programs.

All of these programs are valuable to the Department of Transportation in our efforts to recruit, retain, and develop a highly qualified workforce, and they are a cost-effective way to invest in our most important asset, our employees. The Human Resources Office will be contacting the respective areas to begin assessments necessary to reinstate the above programs. Areas have already been contacted to begin working on the two new programs.

The TMT will continue to work jointly with Human Resources to implement ways to make DOT an even greater place to work.



October 25, 2007

MEMORANDUM TO: NCDOT Senior Staff

FROM: Roberto Canales, P.E.  
Transformation Management Team Project Manager

SUBJECT: NCDOT Talent Initiative – PE Compensation

The Transformation Management Team (TMT) is reviewing methods for recruiting and retaining talent. This is particularly important in many organizations today due to specialized talent needs for success. NCDOT must develop workforce-staffing strategies to proactively manage our human resources to compete for scarce talent and ensure the commitment and retention of new hires and our tenured employees. PE compensation is viewed as a vital component for recruitment and retention of engineers that is offered by other state DOT's and private companies.

With the support and approval of Secretary Lyndo Tippet and Chief Deputy Secretary Dan DeVane, the Department will begin compensating engineers who obtain their PE license beginning with the spring 2007 registrants. The amount of the annual compensation is \$4100. This is a great step as the Department strives to create and maintain a competitive EVP for our current and future employees.

Finally, The Office of State Personnel has authorized the "banding" of engineer classifications. Once this program is implemented and engineer salaries are determined by market rate, management will review the PE compensation policy to determine if it is a component of the long-term strategy to recruit, retain, and compensate engineers.

Thank you for all you do to make this a greater organization.

CC: Secretary Tippet, TMT Leadership Team, Debbie Barbour, Bob Andrews, Jon Nance, Lacy Love

October 25, 2007

MEMORANDUM TO: Distribution A

FROM: Roberto Canales, P.E.  
Transformation Management Team Project Manager

SUBJECT: NCDOT Talent Initiatives – Work Options Program

During the diagnostic phase of the NCDOT transformation efforts, employees repeatedly expressed the desire for greater flexibility in their work schedules. Secretary Tippet has approved the Transformation Management Team's recommendation to embrace a "Work Options Program." This program is consistent with previous Human Resources policies and procedures that give managers and supervisors flexibility to provide work options other than the standard 8:00 am to 5:00 pm, five-day, 40-hour workweek.

The purpose of this memorandum is to make all managers and employees aware of the various work options that are available. The Work Options Program consists of:

1. **Alternative Work Schedules**: There are two types of alternative work schedules currently available to NCDOT employees:
  - a. **Flexible hours**: Arrival and departure times differ from the traditional 8:00 am to 5:00 pm work day. For example, with approval from the supervisor, an employee may begin the workday at 7:00 am and end the workday at 4:00 pm with 1 hour for lunch. If approved by the supervisor, the employee may begin at 7:00 am and end at 3:30 pm with a 30-minute lunch period.
  - b. **Compressed work schedules**: An employee who works a compressed schedule works a 40-hour week in less than 5 days. For example, if approved by the supervisor, an employee may work four, ten-hour days or four, nine-hour days with one, four-hour day.
2. **Reduced work hours**: This option allows an employee to work less than 40 hours per week but maintain their permanent job status. For example, the employee's workweek could be reduced to 30 hours per week. An employee who works at least 30 hours per week would earn leave on a  $\frac{3}{4}$  time basis, but would be eligible for all other benefits based on full-time service.
3. **Job sharing**: Two people are allowed to share one permanent, full-time position. They split the 40-hour workweek. For example, one employee might work 24 hours and the other employee work 16 hours for a total of 40 hours shared between the two employees. If an employee works less than 30 hours per week, their leave time is pro-rated based on the number of hours, they do not receive

health benefits (but may purchase at the state rate) and they do not contribute to the retirement system; they are eligible for pro-rated longevity.

Business unit managers will be responsible for the approval of any alternative work schedule for their employees. Participation in any variation of the standard eight-hour per day, 40-hour workweek should only be allowed if the business manager can ensure there is no disruption or reduction in services and adequate coverage is maintained. Work schedules must be consistent with the needs and demands of the individual work unit. Managers are encouraged to provide alternative work options to accommodate both the needs of the work unit and the employees. However, because of specific job requirements, not all of the above listed work options are available to all employees. Work schedule flexibility may be limited or prohibited in some areas.

Each business unit shall be required to maintain up-to-date records of all employee schedules. Participation in an alternative work schedule may be suspended by the employee's supervisor based on an employee's inability to meet their job expectations or based on changing needs in the business unit.

There are many benefits to promoting alternative work options within an organization. It is a very effective recruitment and retention tool that results in a more satisfied and healthy workforce. It improves employee morale by giving employees more control to balance work and personal responsibilities. Employees use less leave time due to flexibility in planning personal and medical appointments. In addition, the Work Options Program expands job opportunities for handicapped citizens, senior citizens and others. Alternative work schedules also have environmental impacts by improving congestion (employees travel outside peak traffic hours) and reducing fuel consumption.

Human Resources will be developing the new Work Options Program guidelines which all business units and employees will be expected to follow. Employees who do not adhere to the guidelines or abuse the flexibility given them will no longer be allowed to participate in the program and will be subject to disciplinary action, up to and including dismissal.

Managers are encouraged to support employee participation where practical within the business unit. Thanks for all you do to make DOT an even greater place to work.

October 25, 2007

MEMORANDUM TO: NCDOT Senior Staff

FROM: Roberto Canales, P.E.  
Transformation Management Team Project Manager

SUBJECT: NCDOT Talent Initiative – Streamlining Travel Approvals in  
Alignment with Best Practice to Encourage Employee  
Development

To support NCDOT's transformation to a performance-based culture, we must give employees the tools they need to achieve their goals and empower business unit managers to make decisions and hold them accountable for those decisions. The Transformation Management Team has received the support and approval of Secretary Lyndo Tippet and Chief Deputy Secretary Dan DeVane to implement the following process change regarding employee travel.

Effective immediately, approval authority for out-of-state travel and in-state excess expenditures (Travel Authorization Form 10-8) is delegated to the following staff:

Human Resources:	Chief Deputy Secretary
Transit:	Deputy Secretary for Transit
Administration:	Deputy Secretary for Administration & Business Development
Bike & Ped, GHSP & Office of Env. Quality:	Deputy Secretary for Intergovernmental Affairs and Budget Coordination
Division of Highways:	State Highway Administrator
Division of Motor Vehicles:	Commissioner
Financial Management Div.:	Chief Financial Officer
Information Technology:	Chief Information Officer

The above staff may delegate approval authority if they deem it appropriate.

Prior to submitting requests for approval of out-of-state travel or in-state excess expenditures, business unit managers must ensure participation in any development opportunity (workshops, conferences, and training) is in alignment with NCDOT's mission and goals. Managers should investigate whether the development opportunity requiring out-of-state travel can be accomplished in state and ensure there is no reasonable or comparable alternative to in-state excess expenses (i.e., less expensive lodging, less expensive training/development alternative).

Managers must strategically plan for travel-related needs that are required in their business unit each year and plan accordingly against budgetary funding for the year. Funding must be identified for travel prior to submitting the Travel Authorization Form 10-8 for final approval. Priority must be given to training that is required to fulfill job responsibilities. Participation in conferences is secondary.

Business unit managers will follow all guidelines set forth in the Field Fiscal Procedures Manual, Chapter 6, Section 4, "Uniform Travel Policy and Reimbursement Procedures." The Out-of-State Travel History Form for the previous 12 months must be completed and scanned in SAP with the approved Travel Request Form (10-8). The Fiscal Unit has been advised not to approve payment for reimbursement unless the documents are attached to the trip.

Sharing of information with co-workers once you return to your work area from training and development opportunities is very important and can enrich knowledge transfer in business areas. Managers must require their employees to complete an out-of-state trip summary within 10 days of the completed trip. This information must be shared with management levels that approved the trip and other staff members. Development of useful tools for information exchange encourages the sharing of new ideas, mentoring, and promotes a networking environment.

In the instance of any perception of abuse or non-compliance, or over expenditure of a unit's travel/training budgets, additional oversight and approval of future requests will be placed on the business unit manager. Managers will maintain copies of all approved Travel Authorization Forms for a period of three years for auditing purposes. Fiscal staff will ensure compliance with out-of-state travel expenses and in-state excess expenses. Issues will be escalated to appropriate management. Reporting will be available to senior level management.

Thank you for your continued support of the Department's transformation efforts.

CC : Secretary Tippet, TMT Leadership Team

# THE TALENT TEAM HAS IDENTIFIED 8 PRIORITY QUICK WINS

	What it would look like?	Expected cost	Expected Results
<div>Streamline multi-level hiring approval to best practice</div>	<ul style="list-style-type: none"><li>• HR Director approval will be required, but it is not necessary that the Office of the Secretary be involved.</li><li>• Division heads will determine up to 3 levels of approval</li><li>• Division heads will be held responsible for payroll budgets and hiring issues</li><li>• Management level reporting will be provided to senior management by Fiscal – Budget Office based on approved personnel actions (monthly or quarterly).</li></ul>	<ul style="list-style-type: none"><li>• Reduction in management time</li></ul>	<ul style="list-style-type: none"><li>• Shorter time to onboard employees</li><li>• Reduced management time spent on none value-add hiring issues</li><li>• Improved employee morale due to positive message to the organization</li><li>• Encouragement of performance culture</li></ul>
<div>Promote alternate work schedules</div>	<ul style="list-style-type: none"><li>• Employees would design alternate work schedules in conjunction with their immediate supervisors (based on job requirements)</li><li>• Employees would still be expected to maintain performance</li><li>• Evaluations would be conducted periodically with the employee to discuss the success of the program and alter schedules if necessary</li><li>• Program would be in alignment with OSP established policies</li></ul>	<ul style="list-style-type: none"><li>• \$0</li></ul>	<ul style="list-style-type: none"><li>• Improvements to employee morale</li><li>• Increased productivity</li><li>• Improvement to EVP</li><li>• Reduce peak-hour congestion</li></ul>

# THE TALENT TEAM HAS IDENTIFIED 8 PRIORITY QUICK WINS

	What it would look like?	Expected cost	Expected Results
<div>Reinstate Female Mentoring Program &amp; Implement TEA Mentorship Program</div>	<ul style="list-style-type: none"><li>• Reinstate female mentoring program now with longer range plan to develop other mentorship programs for the Department such as Mentorship TEA Program.</li></ul>	\$0	<ul style="list-style-type: none"><li>• Employee development and motivation through access to leadership experience</li><li>• Greater connectivity across DOT divisions</li><li>• Improved employee morale</li><li>• Helps to communicate a transition to a coaching culture.</li></ul>
<div>Institute culture that encourages training and employee development</div>	<ul style="list-style-type: none"><li>• Approval authority for out-of-state travel will be delegated to unit heads</li><li>• Unit heads will be held accountable for these decisions based on their ability to manage to their budgets and produce expected results</li><li>• Unit head must encourage sharing of knowledge with counterparts</li><li>• Senior level reporting for training and travel related cost will be made available by Fiscal.</li></ul>	\$0 - expected reduction in management time	<ul style="list-style-type: none"><li>• Encourages employee development to grow leaders</li><li>• Improved employee morale</li><li>• Encouragement of a performance culture</li><li>• Less management time spent on none value-add administrative tasks</li></ul>

# THE TALENT TEAM HAS IDENTIFIED 8 PRIORITY QUICK WINS

	What it would look like?	Expected cost	Expected Results
<div>Allow management control over personnel complements given budget</div>	<ul style="list-style-type: none"><li>• No requirement to request permission to post an open position once administrative reduction has been taken for I-40 repairs.</li><li>• No mandatory vacancy rate in Division of Highways</li><li>• Managers will be held accountable for managing personnel complement based on budgetary constraints and performance expectations</li></ul>	<p>\$0</p> <ul style="list-style-type: none"><li>• expected reduction in management time</li></ul>	<ul style="list-style-type: none"><li>• Improvement of employee morale</li><li>• Reduced time to onboard talent</li><li>• Movement towards a performance culture</li></ul>
<div>Implement Clerical Equity Study</div>	<ul style="list-style-type: none"><li>• Salaries would be increased for some clerical employees given the constraints outlined in the clerical equity study (study to be updated by HR)</li><li>• It will be clearly communicated that this is a temporary remedy to salary issues that exist with clerical employees</li></ul>	<p>Approx. \$400,000</p>	<ul style="list-style-type: none"><li>• Improved employee morale by sending message to the organization that people are a priority</li><li>• Clerical salaries at least somewhat closer to market rates (well below currently)</li></ul>



# THE TALENT TEAM HAS IDENTIFIED 8 ADDITIONAL QUICK WINS

	What it would look like?	Expected cost	Expected Results
<div>Reinstate career banding for already banded roles</div>	<ul style="list-style-type: none"><li>• Move forward with already banded positions that now have salary levels below market rates</li><li>• HR is moving forward with career banding for engineers and accountants based on General Assembly approval this session.</li></ul>	<p>\$1.23 million to get salaries of banded positions to market rates</p>	<ul style="list-style-type: none"><li>• Sends a positive message to the organization</li><li>• Paves the way toward career banding in other areas (this will be particularly important given lack of exemption to GS 126)</li></ul>
<div>Utilize State policy for new hires and promotions</div>	<ul style="list-style-type: none"><li>• New hires and promotions would not be limited by the 10% rule for salary decisions</li><li>• Salaries would be determined by market rates, current salaries in the department, and applicant skill level</li><li>• HR approval would still be required for salary levels</li><li>• Manager in the department would be held strictly accountable to an agreed upon payroll budget</li><li>• Management level reporting will be provided by Fiscal – Budget to senior management.</li></ul>	<ul style="list-style-type: none"><li>• Payroll/yr (normalized for employees) has dropped by \$28 million since 10% implemented, This is only 0.7% of DOT budget. Payroll expenditures have been under budget for the past 6 years</li></ul>	<ul style="list-style-type: none"><li>• Shorter time to onboard employees</li><li>• Reduced management time spent on none value-add hiring issues</li><li>• Improved employee morale due to positive message to the organization</li><li>• Encouragement of a performance culture.</li><li>• Increased ability to hire best candidate.</li></ul>

## **REMOVE MANDATED VACANCY RATE AND POSTING APPROVAL**

### **Goal:**

NCDOT unit/section/division Managers will manage their respective personnel complements.

### **Recommendation:**

The Talent Management Team recommends NCDOT unit/section/division managers be held responsible for managing their personnel complements. Direction will be given to post and fill positions at their discretion based on the unit's current and projected human resource needs and in alignment with budget considerations. This recommendation will remove the current direction that posting requires prior approval and removes the direction given to Operations and Preconstruction sections to operate under a specified vacancy rate.

### **Rationale for Change:**

- Requesting permission to post a position adds an unnecessary step at the beginning of a lengthy hiring process. It requires the manager to prepare written justification, send it to Human Resources for review with the Secretary's Office, then Human Resources notifies the manager of the decision.
- Managers are capable of managing their personnel complements and salary expenditures.

### **Process Change:**

Upper management will empower unit/division/section managers to manage their individual unit/section assets. Managers will be provided guidance by upper management in order to ensure adequate control of resources. The following guidance is suggested:

Managers should consider the following when determining if a position should be posted:

- The human resource need is critical to the work unit's mission
- The need is critical to the unit's current or upcoming work plan
- Funding availability (current and projected)
- Special needs (employees out on extended sick leave, military leave, etc.).

Managers will continue to track their unit/division/section vacancy rates and use that information as a tool to guide them in making human resource decisions. Managers will be held accountable for managing their personnel complements in a responsible manner. The Human Resources Section will monitor the posting and filling of all positions to ensure units are in compliance. Units found not to be in compliance will be counseled individually.

## **STREAMLINE MULTI-LEVEL APPROVAL PROCESS**

### **Goal:**

To make NCDOT a place that works well.

### **Recommendation:**

The Talent Management Team recommends the current process that requires multiple levels of approval for personnel actions be changed to reduce the length of the hiring process.

### **Rationale for Change:**

- Managers feel they are not trusted to making hiring and salary decisions.
- Multi-level approvals makes the hiring process very lengthy.
- The process is very inefficient in that If one or more levels of approval are out of the office, hiring packages get “stuck” on someone’s desk adding as much as 10 working days or more to the process. Delays in approving personnel actions results in delays for onboarding and delays in implementing salary adjustments, ultimately affecting people’s livelihood.

### **Benefits:**

The net result will be a win-win for NCDOT in that:

- Positions will be filled in a more timely manner
- The process will be more efficient and save administrative time for high level managers as well as reducing handling by clerical personnel.
- There would be a reduction in people turning down job offers because they have having accepted another job while they were waiting to hear from NCDOT.
- Managers will feel empowered and less frustrated. This change will improve morale by sending a message to managers that they can be trusted to make good, sound hiring and salary decisions.
- The change will also reduce exposure of confidential documents by reducing the number of hands that touch each action.

### **Process Change:**

In our current process, at the very minimum, all personnel actions require approval by the Unit Head, Branch Manager or Division Engineer, Chief Deputy Secretary, and the Director of Human Resources. This includes all permanent and temporary position/employee actions (new hires, promotions, reallocations, in-range requests, salary adjustments, etc.

In addition to the above approvals, personnel actions which meet the following criteria require approval by the respective Director, State Highway Administrator or Deputy Secretary, Chief Deputy Secretary, and finally the Director of Human Resources:

- Position is pay grade 70 and up
- All position reallocations
- Exceptions to the 10% salary limitation for new hires and promotions
- All in-range requests

To explicitly outline the current hiring process, shown below is an example of the current process to place promote Ms. Jane Doe into an Office Assistant IV position in a County Maintenance Office with a 12% increase in salary:

<b>Step</b>	<b>Position: Office Assistant IV – County Maintenance Office</b>	<b>Work days</b>
1	Position is posted from June 4 – June 15	10
2	Office Assistant prepares Qualification Review Report (QER) and sends applications to Human Resources (HR) technician in Raleigh.	2
3	Raleigh HR Technician reviews each application to determine “most qualified”, “qualified”, and “not qualified”. HR technician completes the QER form and mails package back to the hiring manager	5
4	Hiring manager receives package, schedules and conducts interviews.	10
5	Hiring manager completes interview records and makes recommendation. Office Assistant types interview records, computes salary, prepares electronic 105, gets hiring manager signature and sends package to District Engineer.	2
6	Office Assistant in District Engineer's office reviews for accuracy. District Engineer reviews, approves and sends to Division Personnel Technician (PT).	2
7	PT audits package and ensures all appropriate forms have been completed and gives to Division Engineer. Division Engineer reviews, approves and PT sends package to the Chief Engineer's Office.	2
8	Chief's Office Administrative Assistant logs and audits package for compliance and gives to Director of Field Operations.	2
9	Director of Field Operations reviews, signs and forwards to Chief Engineer.	2
10	Chief Engineer reviews, signs and forwards to State Highway Administrator	2
11	State Highway Administrator reviews, signs and forwards to Human Resources Office.	2
12	Human Resources Office logs package and gives to HR Technician who audits package and routes through his/her supervisor who audits and routes to Human Resources Director.	3
13	Human Resources Director reviews and approves package and forwards to Chief Deputy Secretary.	2
14	Chief Deputy Secretary reviews, signs and forwards package to Human Resources Director.	2
15	Director of Human Resources returns package to the HR technician. HR technician contacts Division to give approval and request effective date.	1
	<b>Total (best case scenario)</b>	<b>49</b>
	<b>Total days from June 4 posting date to Monday, August 27 start date</b> <i>(Effective date must be at the beginning of a pay period and must allow for employee accepting the position to work a two-week notice. In this case the earliest possible starting date would be Monday August 27.)</i>	<b>60</b>

This example is a “best case” scenario. In other words, if any of the approval managers or administrative personnel involved in this process are out of the office due to vacation, sick leave, or meetings; or if they have higher work priorities, as many as 10 additional days could be added to this process.

If the final approval of the package were the Division Engineer in this particular example, steps 8 – 11 and steps 13 – 14 would be deleted which could reduce the process by a minimum of 12 days.

## **Summary**

Hiring managers do not feel empowered to make personnel decisions because their decisions require additional approval by many levels of management. Not only do they feel upper management does not trust them with these decisions, but they see first hand the delays in getting actions approved due to the multi-level approval process. Streamlining this process will send a positive message to managers that they are capable of making hiring decisions within their budgets and to fit the talent needs of their work units.

The Talent Management Team recommends personnel packages require approval by the Division Engineer or Branch Manager. If the work unit does not report to a Division Engineer or Branch Manager, the approval should be by the Unit or Section Head. After approval by the Division Engineer, Branch Manager or Section Head, the personnel action would be forwarded to Human Resources for final approval by the Director of Human Resources.

If approval of packages is delegated to the Division Engineer, Branch Manager or Section Head, it is recognized there will need to be a method in place to hold these managers accountable for approval of personnel actions. The respective Director or Deputy Secretary may request regular reporting from their organizational units on personnel actions taken in order to stay informed and to address specific problem areas.

## **10% RULE , CAREER BANDING, CLERICAL STUDY**

### **Goal:**

Implement strategy to compensate employees at or near market rate.

### **Requested Change:**

The Talent Management Team recommends NCDOT utilize existing State policy for new hires and promotions.

### **Rationale for Change:**

- Best practice organizations have a strategy and process to compensate employees at or near market rate. The nature and scope of responsibility of the position in the organization is also considered in determining a salary. Current NCDOT salary administration guidance does not follow these best practices.
- Important that NCDOT create and maintain a competitive EVP including compensation
- NCDOT is moving towards a “performance” culture. Best Practice takes into consideration factors such as exemplary performance, promotion of employees, and rise in competitive salaries when determining base pay.
- This is a transitional strategy until other market-driven compensation practices are implemented (e.g. career banding)
- Clerical salaries would be moved somewhat closer to the market rates. They are currently well below the labor market.
- NCDOT have developed and implemented successful careers banded programs and have several others in various stages of development. Moving forward with these programs would be very cost effective way to invest in significant segment our employees.
- OSP has authorized the “banding” of engineers and accountant positions signaling support for this concept.
- Improve employee morale by sending message to the organization that people are a priority. Focus groups and one-on-one interviews divulged theme that “people are not considered an asset or a priority.”
- Focus groups and one-on-one interviews divulged following relevant concerns and issues:
  1. 10% Rule:
    - ◆ Rule limits ability to attract best talent. Need to be able to offer flexible salary based on related experience
    - ◆ Cap causes problems. Best in-house candidates won't come due to additional duties with limited increase.
    - ◆ Old compensation methods is the best way to deal with promotions and new hires
    - ◆ We put the minimum and maximum on vacancy postings but can't pay but 10% above the minimum to new hires.

- ◆ Current salary limitations only allow us to get “average” employees
- ◆ Often best in-house talent do not apply for promotions due to salary limitations
- ◆ The word has gotten out that if you go into state government at a low level, it’s hard to move up in pay
- ◆ “The scariest concern of all is that we will be looking to those positions that we may be filling with G employees to fill future vacancies at higher levels. If we aren’t filling our current positions with the very best choices, how can we promote stars to that next level?”

## 2. Career Banding

- ◆ Skill based pay for engineer tech’s need to be funded
- ◆ Career banding would be the best way to help employees be the best they could possibly be. Win-win situation because NCDOT would be better organization and individuals get needed training plus compensation for work performed.
- ◆ Competency and Skill Base Pay have been motivations to attend training and develop skills
- ◆ Competency and Skill Base Pay were designed to pay an employee what they are worth depending on their skills.
- ◆ Career banding is low hanging fruit. Reinstate programs that were completed and then move to another study (administrative employees should be next).

## 3. Clerical Equity Study

- ◆ Career banding is low hanging fruit. Reinstate programs that were completed and then move to another study (administrative employees should be next).
- ◆ Administrative employees have taken a beating. They are key people, but we dilute their worth. We have a hard time getting any reclassifications on administrative positions—duties not recognized at the level they should be.
- ◆ Need to address inequities among many classes.

## **Summary:**

If NCDOT is to be truly transformed in a way that we can effectively accomplish our mission and goals, talent will be at a premium. Employees must be viewed as major contributors to our delivery. These recommendations is the initial steps in transforming NCDOT into a place where people want to come to work and where they want to stay. A place where all employees are respected and the best employees get paid like the best in a high performance culture.

Memo            Distribution A

From            Roberto Canales, P.E.  
Transformation Management Team Project Manager

Subject        NCDOT Talent Initiatives – Formal Mentorship Programs

Date            October 25, 2007

Secretary Tippet approved the Transformation Management Team (TMT) recommendation to develop a department-wide mentoring program to enable DOT to transform to a coaching culture that builds an effective workforce for the future. Mentorship is one of the best, most cost effective ways to develop employees through transfer of experiences, knowledge and skills.

In order to begin this coaching and mentoring culture and to signal our commitment to the cultural shift, the following steps will be taken:

- 1) The TMT will partner with Human Resources to develop and implement a pilot mentoring program for the Transportation Engineering Associates. This program will partner the existing employees as well as those that will begin the program January 2008. A committee will be formed to oversee the program with Human Resources and get feedback from the participants to build the best program for our engineers to be successful.
- 2) Human Resources will form a committee to reinstate the Raleigh-based Female Mentorship Program with a plan to implement statewide. The Department can learn from this pilot effort and provide positive reinforcement to an important demographic within our organization.
- 3) As part of this mentorship program, the TMT will continue a rotation plan of key individuals within the Department for special assignments in our transformation efforts and eventually within the Strategic Planning Office for Transportation (SPOT), once formed. SPOT rotation will help to better develop key leaders by providing more organizational awareness and improved strategic planning skills.

A report will be provided to the department leadership on these pilot programs July 2008.

Ultimately Human Resources will create and implement a department-wide mentoring program by integrating successes from the pilot programs and other best practices. The target date is January 2009.

I encourage everyone to create a mentorship environment in our daily operations. Many of us have benefited from mentoring informally throughout our careers and now the Department will embrace this as a business practice. Formal mentoring programs are recognized as best practice in high performing public and private organizations.



These and other programs will help DOT in meeting our mission and goals by becoming more effective and efficient with a quality workforce to be the best 21<sup>st</sup> Century DOT.

Thanks for all you do to make DOT an even greater place to work.